



## Fiscal Estimate Narratives

ELB 1/24/2005

LRB Number	05-1150/1	Introduction Number	SB-1	Estimate Type	Original
<b>Subject</b>					
Government Accountability Board					

### Assumptions Used in Arriving at Fiscal Estimate

This legislation combines the State Elections Board and State Ethics Board into a single independent agency. The legislation changes the method of selection and appointment of citizen members of the new Board. The legislation adds 4 staff positions: an executive director, one division administrator and two enforcement positions. The legislation also permits the agency to authorize two additional division administrators. It is assumed that the positions currently assigned to the executive directors of the separate agencies would be converted to the division administrator positions at their current ESG level.

The salary estimates reflect a slight increase from the 2003-2005 maximums to reflect the fact that individuals filling these positions will need to be compensated close to the maximum of the pay schedule. The two division administrator positions created to replace the positions held by the current executive directors will not likely make more than the current incumbents so no figures are included for these positions. For purposes of this fiscal estimate it is assumed that the additional employees will generate the following annual costs:

#### ESG Group Salary Fringe Support

Executive Director 6 125,000 51,200 5,000  
Enforcement Division Administrator 5 115,000 47,100 5,000  
Division administrator 4 Replace current agency head  
Division administrator 4 Replace current agency head  
Enforcement Attorney 90,000 36,900 5,000  
Investigator 40,000 16,400 5,000

Total 370,000 151,600 20,000

These figures are based on the average salary for division administrators and attorneys, along with the estimated cost to hire a qualified investigator and paralegal. Fringe costs are calculated on the Elections Board fringe rate of 40.99 %

On going maintenance and support costs for the new campaign information system is estimated at \$400,000 based on a study conducted for the Elections Board in 2002.

#### One-time initial costs.

Development of a campaign finance information system (\$3,000,000 first year and \$2,000,000 second year development costs) and costs for revision of forms, manuals and training materials (\$2,500). This estimate is based on a study conducted for the Elections Board in 2002. The campaign finance information system is essential to the success of the new agency operations. The extent and scope of the changes required in this legislation make it imperative that the information system be developed as part of the implementation of this legislation. The Elections Board is currently using a patchwork of antiquated information systems that are not integrated. The campaign finance information system is operating on outdated equipment and unsupported software. In order for the new agency to operate, the new information system must be developed and installed.

There will be one-time costs of consolidating the Ethics Board and Elections Board in a single location. For purposes of this estimate it is assumed that the Ethics Board staff will relocate to the location currently occupied by the Elections Board. There is available space to accommodate the combined agency staff. DOA estimates that it costs \$500 per person to move an agency, including furniture, files, equipment and set up. There are 6 Ethics Board employees and 6 additional employees authorized by the legislation. The

estimated cost to move personnel to the new location is \$4,000. The present cost for space rental is assumed to be equal to the current rent paid by the separate agencies.

Setup costs of \$12,000 for the new employees calculated at \$3,000 per position based on state budget guidelines for equipment, furniture and connectivity charges.

### **Long-Range Fiscal Implications**

The legislation will increase costs for operating the new agency. The state will benefit by providing the information technology infrastructure essential to providing full disclosure of election and campaign activities. The state will also benefit from providing the enforcement resources necessary to ensure compliance with current law.